

FORM 51-102F3

Material Change Report

Item 1. Name and Address of Company

Gaia Grow Corp (the “Company”)
303 – 750 West Pender Street
Vancouver, BC, V6C 2T7

Telephone: 604-681-0084

Item 2. Date of Material Change

News Release dated December 21, 2021.

Item 3. News Release

The Company disseminated a news release concerning the material change described herein on December 21, 2021 and subsequently filed a copy on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

Gaia Grow’s Canadian cannabis laboratory Tru Extracts signs white label agreement with expected run rate revenue of up to \$8,369,000.

Item 5. Full Description of Material Change

Vancouver, British Columbia – December 21, 2021 - Gaia Grow Corp. (the “Company” or “Gaia”) (CSE: GAIA; Frankfurt: GG0) is excited to announce that its wholly-owned subsidiary, TruExtracts Laboratories (“TRU”), has signed a 12-month white labeling agreement with an arms-length Canadian cannabis producer (“the producer”) to manufacture approximately 30,000 Cannabis pre-rolls per day. Production is expected to commence at TRU’s Canadian licenced Cannabis extraction facility in January of 2022. This agreement has the option to extend in 1-year increments beyond this term.

TRU will be responsible for purchasing and processing the biomass in accordance with the processing service orders provided by the producer and will deliver final retail products in accordance with shipment instructions coordinated and supplied by the producer. The entire production run will be purchased by the producer for the 12-month period.

The agreement is expected to generate revenue of up to \$8,369,000 during the initial 12-month term. The assumed revenue is based on production of 30,000 pre rolls per day that will be packaged into 10 packs for retail sale. For a total of 3,000 10 packs per day with TRU wholesale revenue between approximately \$8 for unlabeled 10 packs to approximately \$15 for labeled and branded 10 packs. Actual revenue will vary depending on final production. Cost of production by TRU is dependent on the commoditized price of dried flower and labour in the facility.

The producer will coordinate the logistics of the delivery of retail products and ensure that the retail products are in accordance with the Cannabis Act and all regulations made thereunder, all Health Canada requirements, any requirements particular to the provincial or local government, and the producer's client's reasonable standards.

"This is a great step forward for TruExtracts and Gaia" said Frederick Pels, CEO of Gaia Grow. "The pre-roll market share is one of the largest segments in Canada's legalized cannabis marketplace. It is representing north of 20% of all products sold in British Columbia and the Prairie provinces with the rest of Canada in the high teens. It's great to see TruExtracts providing products for this significant market with a healthy double-digit profit margin. I look forward to updating shareholders as Tru continues to expand and deliver significant value to our shareholder."

"Pre-roll production represents approximately 60% of Tru's current product production space", said Andre Sinclair, COO of TRU. "This agreement demonstrates the effectiveness of Tru's business model. As other SKUs launch and Tru expands our building space, we expect this segment to conservatively double over the course of 2022 and to see significant revenue growth ahead for Tru as well as Gaia."

About TruExtracts

TruExtracts Laboratories was created for high-capacity extraction and production, to meet global demand. TRU is one of Western Canada's largest cannabis and hemp processors, with a 12,500 square foot state of the art facility in Calgary. The facility is Health Canada licensed and fully operational, with an expansion capability of an additional 16,000 additional square feet. Services include toll processing, THC, CBD extractions and isolates, as well as white label service and cannabis THC and CBD products.

For more Information, please visit their website at <https://truextractslabs.com>

About Gaia Grow

Gaia Grow is an Alberta-based vertically integrated licensed hemp company with subsidiaries licensed for cannabis and hemp processing, extraction, product formulation, novel product development and cannabis retail. For more information about the Company, please visit www.GaiaGrow.com

The Company has posted a video on its YouTube channel and will continue to diligently post updates over the coming months. A link to Gaia's official YouTube page can be found here: www.youtube.com/channel/UC7tbvsY5gl2CrlsESYkbbgw

Please join the conversation on our GAIA group supporter's telegram group at <https://t.me/gaiagrow> and visit us online at www.gaiagrow.com

For further information please contact:

Frederick Pels, Chief Executive Officer

(403)-991-7737

fp@gaiagrow.com

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

The following senior officer of the Company is knowledgeable about the material change disclosed in this report.

Frederick Pels
Chief Executive Officer
Telephone: 403-991-7737

Item 9. Date of Report

December 21, 2021